



Economic Briefing Paper

For Church Leaders In North East England



Prepared by
Northumbrian Industrial Mission





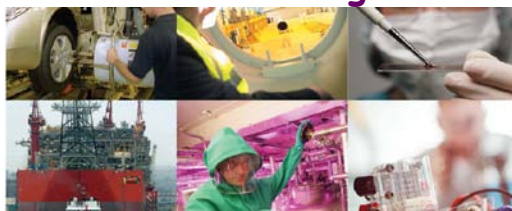
**Economic Briefing Paper for Church Leaders
North East England**

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Economic Briefing Paper for Church Leaders North East England



1. One North East

Economic Context

- At the risk of stating the obvious, we're facing a global economic slowdown. It's not just the North East of England. Despite various reports that the region will be left relatively unscathed in the slowdown, we need to have a realistic assessment of the potential impact of a national and international economic slowdown. We aren't immune despite the major progress our economy has seen over recent years.
- Business confidence in the region has been falling over much of the past 12 months. However, this intensified in the summer. And the tightening of difficulties in the banking sector in September hit businesses hard as they struggled to access funds to invest and to keep their businesses ticking over. Alongside this, new orders are falling as the economic slowdown affects our firms' markets.
- We've seen a notable rise in unemployment over the past year with the rate increasing in recent months. New figures are out later today, but so far the number of people claiming unemployment benefits in the region has risen by about 35% in a year. The important context to this of course, is that our levels of unemployment are pretty low compared to our recent past - we're entering the current recession with a much stronger labour market and many fewer people out of work. Some of the main headlines you might want to take account of in any discussion on unemployment are:
 - Major rise in unemployment in Durham – though it is starting from a low base compared to other parts of our region;
 - So far, cities seeing slower increase than regionally and nationally;
 - Relatively strong position in the south of the region;
 - Biggest proportionate annual increase;
 - Managers and senior officials (+70%) (although these still make up a relatively small share of the total unemployed);
 - Skilled trades (+58%);
 - Process, plant & machine operatives (+52%);
 - ...though elementary occupations still dominant the stock of claimants (approx 1/3).



Concerns for the region

Some of the main concerns in our region are that:

- Lower bank lending could choke off recent progress in boosting our business base (we've seen business growth outpace the national average for each of the past 6 years);
- We've a number of big employers with a large regional footprint e.g. Nissan with a significant number of supply chain companies in the region;
- Weakening export markets matter to the region because we are traditionally one of the few net goods exporting regions in the UK;
- Despite a lot of progress in recent years, we still lag behind in the region on a lot of indicators of multiple deprivation. So some communities are quite exposed to the impact of an economic slowdown.

Regional Response

- A number of public agencies across the region are working to tackle the effects of the recession on firms and people. This cuts across business support activities to help firms survive and grow. And it also focuses on the direct human impact from job loss through the activities to help people facing redundancy and the associated impact on their income, families and communities. However, it's not just about the public sector. Supporting those at risk in the face of an economic downturn and promoting the recovery which will come, is a job for public and private sector as well as civil society.
- We can build on existing strong partnerships in the region in facing up to the tough times ahead that is likely to involve:
 - Increased focus on responding to rising unemployment;
 - More rapid response activity with more focus on spatial rather than single company impacts;
 - Changing faces at the Jobcentre and at the front of the queue for jobs: will the harder to help lose out?
 - Changing business skills needs: business survival above creation.
- Key to tie our response into longer term needs:
 - Skills and the upturn: the upturn will come and we need ensure we get out of the blocks quickly when it does;
 - Promoting entrepreneurship: a key driver of our region's future prosperity, but it's taking a bashing in the current climate. We'll need to increase our efforts to ensure good businesses survive and new ones start to grow.

Information provided on 21st January by:

Paul Mooney
Chief Economist
One North East



2. North East Chamber of Commerce Assessment of current economic situation

Current impact on North East businesses

(Source: North East Business Barometer)

NECC members are asked to report how a variety of business factors have changed over the quarter. The percentage of positive responses (i.e. those reporting an improvement) is compared with negative responses, to give an overall balance.

The figures on key indicators for Q4 were:

- UK sales have decreased from -19.3 to -30.3;
- Export sales have increased from -12.1 to -9.2;
- UK orders have decreased from -18.6 to -27.1;
- Export orders have increased from -17.0 to -11.9;
- Plant investment plans have decreased from -13.8 to -26.7;
- Workforce levels have decreased from -3.2 to -10.7;
- Training investment plans have decreased from -6.5 to -23.3;
- Expectations of future profitability have decreased from -4.1 to -23.9.

Action needed to address this

(Source: NECC Manifesto 2009)

NECC produces a Manifesto each year setting out the key issues on which we will campaign during the year. There are four key themes to this for 2009:

1. Removing barriers to business:

- Tax changes to incentivise business investment;
- Restore empty property rate relief;
- A moratorium on new regulations which will increase the compliance burden on businesses;
- Making it easier for businesses to trade with the public sector in the North East.

2. Improving performance of business:

- Simplifying business support to make it easier for companies to make use of services they need;
- Maintaining regional influence on skills policy to ensure North East businesses can get help specific to their needs;
- Measures which will encourage innovation among businesses;
- Increased Government spending on research and development in the North East;
- Greater support for internationally trading businesses from UK embassies.



3. Developing infrastructure in the region:

- A culture change in planning departments to enable development;
- Addressing transport constraints on development;
- Prioritising high quality north-south road and rail links;
- Supporting North East airports;
- Meeting the energy needs of the region's businesses through a mix of sources, including development of renewable;
- More responsive planning system to energy projects.

4. Recognising businesses' contribution to the North East:

- Promoting businesses' contribution to quality of life through programmes on health, education etc;
- Championing measures taken by business to improve environmental sustainability.

Information provided on 3rd February by:

Ross Smith
NECC Head of Policy and Research



3. Northern Regional TUC Coping with the Downturn

Not a day goes by when we open a newspaper, or switch on the television to learn that the UK is facing its worst economic downturn in 30 years. This is particularly worrying for many workers in the North East and Cumbria, who, through bitter experience, will recall past economic hardship and recognise the current turmoil as bearing all the hallmarks of a tough recession.

However, until now, media attention has almost exclusively focused on a malfunctioning UK plc and centrality of the banks in cutting off its oxygen supply. Working people watched in disbelief as the Northern Rock Bank, once thought to be the bedrock of a thriving financial services industry, collapsed in 2007. This was the first real sign that worse was yet to come. But what started as a crisis of confidence in the banking sector is now threatening the living standards and future security of millions of ordinary working people putting jobs, homes, savings, pensions and essential public services at risk. Even those in relatively secure employment are voicing concerns about rising living costs and how they will manage to make ends meet.

Trade union reps. are on the frontline, reacting to members' fears about their jobs and persuading employers to adopt strategies to weather the storm. Therefore it is vitally important that reps. are supported to respond effectively and look after their members' interests at this critical time. This briefing is designed to help explain recent economic trends, what to expect, outline what actions are being taken, plus set out the TUC's line on the recession and where we go from here.

Impact of the Recession on the North East and Cumbria



In the North East, the first effects of the current economic difficulties were felt in the financial services sector witnessed by the problems at Northern Rock in autumn 2007. However difficulties in the wider financial sector soon adversely affected the availability of credit and the housing market nationwide¹

Business and consumer confidence has fallen dramatically over the past few months. Evidence points to a sharp slowdown in the regional economy with business output and new orders falling fast. The slowdown is now spreading across a much wider range of sectors. The credit squeeze is beginning to bite with many firms starting to respond to the downturn by cutting staff or shifting to short time working. This is set to hit the labour market hard in the coming months.

¹ North East Regional Response Plan 2nd Draft 9 January 2009



North East Labour Market

Unemployment has risen since January 2008 and the claimant count is up by 355 over the past 12 months. While most other regions have experienced a bigger increase over the same period, the North East already had the highest rate of unemployment, which now stands at 8.2%². There are also signs that some parts of the region are being hit harder by job losses: the rise in Job Seekers Allowance claimants in Durham over the past year has been around twice that in the region as a whole.³



Large scale redundancies have been announced at Nissan and throughout the automotive and construction supply chains. Nissan employs 5,000 people, but was forced to cut production after a global slump in sales. Before Christmas 400 temporary staff learned their contracts would not be renewed and the company has since declared a further 1,200 jobs will go, making 1 in 4 workers at the car plant redundant. The viability of the company supply chain, which provides 2,500 jobs, was in doubt when Unipres axed 96 full time posts after already letting 200 temporary staff go. However 16 firms in the supply chain have since met with development chiefs to discuss public sector support and put in place a plan of action.⁴

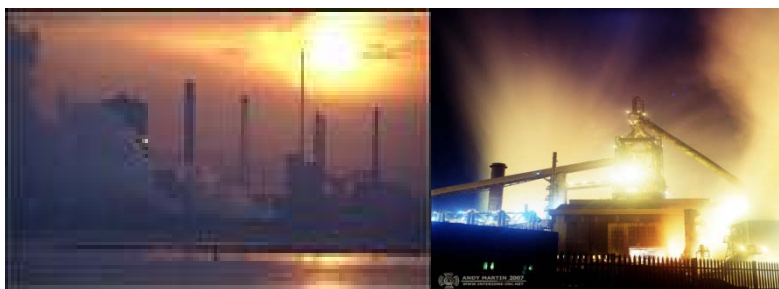
Agencies supplying temporary labour to Caterpillar in Peterlee have already laid off 300 temporary workers. There are fears that 150 National Grid workers on Tyneside could face redundancy if their jobs are outsourced.⁵ The press recently confirmed Corus would be making redundancies worldwide. However it remains unclear whether workers at the Teesside plant will be affected. In addition Findus has announced plans to shut down its food processing operation with the loss of 360 jobs.

² Downturn Takes Toll as Jobs Dry Up, *The Journal*, 22 January 2009

³ Job Centre Plus Brief for Regional Economic Prospects Group Meeting 17 December 2008

⁴ Nissan Suppliers in Worries on Survival, *The Journal*, 15 January 09

⁵ Job Fears for 150 as Energy Firm Looks to Outsource Work, *The Journal*, 30 January 09



Newcastle Building Society has shed 150 jobs and in the hospitality industry, 20 staff lost their jobs following the sudden closure of a hotel in Newcastle.

Although there is a noticeable downturn in the construction, manufacturing and retail sectors, Job Centre Plus forecasts show that care, security, hospitality and contact centres will continue to recruit in the New Year. ⁶

A bad spell for some in the economy leads to rising fortunes for others. As house repossessions increase and businesses close down, recruitment agencies anticipate employment growth in debt collection businesses. The Listening Company, Student Loans Company and Phillips Bailiffs are all recruiting. ⁷

Bucking the trend in the manufacturing sector is Walker Riverside Park in the East End of Newcastle. Major expansions are planned due to success in the oil industry, new and renewable energy. These employers include DUCO, Wellstream and Shepherds with sites being snapped up along the River Tyne in readiness for major investments in the renewable sector and sub-sea contracts coming on stream. ⁸

Cumbria



Due to the volatile nature of the current economic climate, it has been difficult to speculate, with any degree of certainty, how the recession will impact on Cumbria. However research indicates that the Northern region will be slower to emerge from the recession compared to London and the South East. Whilst economists are reluctant to attribute job losses directly to the recession, there are some specific cases of job loss linked to the slump in property-related industries and entertainment sectors. This is due to the slowdown in the housing market and people generally tightening the purse strings to cope with rising prices and lower incomes.

⁶ Job Centre Plus Brief for Regional Economic Prospects Group Meeting 17 December 2008

⁷ Ibid

⁸ Op.Cit



The unemployed benefit claimant count in Cumbria rose by 503 between October and November 2008 in all districts. This is the highest it has been since February 2007. The unemployment rate rose by 0.2 in Cumbria between October and November 2008 but showed a smaller increase over the year than the national rate.⁹

Declining business confidence in the manufacturing sector has been reported with a number of firms laying people off including STORY Rail; Smith and Co and Pirelli Tyre Factory. BAE Systems has axed 25 jobs, 33 job losses will occur at the British Gypsum Plant at Kirkby Thore near Appleby and JELD-WEN Windows and Doors in Penrith plan to lay off 12 workers.¹⁰

In the retail sector, there have been a number of small shop closures located in town centres and in the hotel and restaurants sector, businesses have failed due to a quietening night time economy, as people stay at home in a bid to save money. The construction sector has been the hardest hit with reduced affordable housing projects and a shift from sub-contracting to self-employment.¹¹

There has been a marked increase in rent and mortgage defaulting. Unemployment has also risen. Anecdotal evidence exists of business closures where firms are reducing activity and employment in less efficient, older sites distant from Head Offices. Particularly high fuel prices in Cumbria, coupled with long journeys are impacting on recruitment, retention and wage settlements, as well as limiting the viability of already limited public transport services.¹²

Nevertheless the overall pattern of activity in the jobs market during the latter half of 2008 gives some reason to be optimistic as the number of job gains exceeded by four times the numbers of reported losses. In manufacturing a number of key companies have attracted new orders including BAE, Acrastyle, Subconsult Ltd. and Tronic Ltd.¹³

Expansion is also taking place in food retail and call centres. Tesco is planning to build a major store in Carlisle employing 300 staff, 100 of whom will transfer from another store. Three call centres in West Cumbria are recruiting, however all of the jobs are temporary, but it is hoped some will become permanent.

⁹ Unemployment and Vacancy Briefing Headlines December 2008, Cumbria Intelligence Observatory

¹⁰ News and Star Accessed Friday 30 January 2009

¹¹ Cumbria Economic Bulletin September 2008. A Joint Publication: University of Cumbria & Cumbria Intelligence Observatory

¹² Global Economic Situation - some potential impacts on Cumbria, Cumbria Intelligence Observatory

¹³ Ibid



The main risks to the regional economy have been identified as:¹⁴

- A vicious cycle in which weak business and consumer confidence, falling business investment and rising unemployment feed off each other;
- Lack of credit/liquidity for business will constrain efforts to create business growth. Concerns centre on lower end manufacturing companies; supply chain companies for larger firms; companies without the backing of a larger corporate group; new small firms and companies in the automotive sector. The retail sector is to face a particularly tough time after January sales as consumers rein in their spending further;
- Traditionally the North East performs well in export markets. Recent falls in the exchange rate have helped exporters. However falling demand for exports across Europe could further undermine the region's performance;
- It is crucial that steps are taken not just to mitigate the worst effects of the slowdown, but prepare for the upturn. A key danger for the region is failing to get out of the starting blocks quickly enough when the economic recovery kicks in. Major underinvestment in skills will choke off future growth prospects. The rise in companies at risk of redundancy will dramatically increase the volume of work for public sector organisations tasked with providing support in the downturn.

Sector Breakdown

Construction

Substantial falls in private house building and commercial property activity have so far not been offset by bringing forward public sector infrastructure projects. This is because the North East and Cumbria attract fewer investments of this type. For example there are no major projects such as the 2012 Olympic Games or Heathrow expansion to sustain the sector short-term. As a result these industries have fostered a dependency on private sector house building and public sector refurbishment programmes to keep the construction industry afloat. Ongoing private sector activity revolves around the completion of existing projects. Meanwhile new projects in the pipeline have slowed to a trickle. Construction-related business orders remain down.

Retail

Discounting of retail goods is above levels normally expected. Sales of furniture and white goods are falling rapidly as consumers put off buying replacements. This is leading to significant cutbacks in orders. Promotional activity to shift stock from the shelves is more widespread as demand continues to fall with consumers switching towards cheaper, unbranded products. Food prices are eventually expected to fall as

¹⁴ North East Regional Response Plan 2nd Draft 9 January 2009



retailers position themselves to compete with discount stores. People are committing to less household expenditure and cutting back on entertainment outside the home. There is some evidence to suggest individuals are trading down in terms of leisure expenditure. For example people are swapping restaurants for fast food outlets.¹⁵

Process Industries

Even though the food processing sector is holding up well, manufacturers reported they were under pressure from retailers to reduce prices.

What is happening in the workplace?

Average hours are being cut and bonus payments scaled back. In surveys conducted by the Bank of England many employers confirmed they would be looking to reduce headcount in the coming months if conditions failed to improve.¹⁶ Many said that, although this could be achieved without compulsory redundancies, cuts would be made in other areas such as graduate recruitment and the use of Agency staff.

As the recession deepens however, a growing proportion of employers are contemplating redundancies. Reports of planned wage and recruitment freezes have become more widespread. Challenging pay bargaining conditions are making it more difficult for unions to negotiate decent settlements. Employers that offer defined benefits pension schemes said they might have to increase employee contributions. The reduced value of the stock market may lead employers to claim there is less money in the pot to fund workers' retirement.

Trade union reps. are urged to be vigilant by keeping a close eye on employer activities to ensure the recession is not being used as a convenient means of introducing less favourable terms and conditions on a permanent footing.

TUC Trade Union Education has identified some of the key watch signs shop stewards should be aware of when representing members in the downturn.¹⁷ These include:

- Increased anxiety in employer communication;
- Shrinking order books;
- Reductions in casual and contract staff;
- Increased workload;
- Redundancy and short time working;
- Recruitment freeze;
- Late payment of wages;
- Health and safety short cuts;

¹⁵ Bank of England Agents' summary of business conditions December 2008

¹⁶ Ibid

¹⁷ Coping with the economic downturn, A workbook for all union reps, January 2009



- Imposition of extended holiday shut downs;
- Attacks on pension schemes for existing and new members.

Tackling the Challenges:

Plight of Temporary Agency Workers

In its first Recession Report the TUC studied the impact of the recession on the most vulnerable workers in the labour market. ¹⁸Trade unions have expressed profound concerns that temporary and agency workers are often the first to be let go during a recession, and because they are not being made redundant, often fail to qualify for emergency support and retraining packages. Furthermore the TUC believes vulnerable employment will continue because some employers, particularly in low paid sectors, will cut staff terms and conditions and move staff onto casual contracts to achieve perceived savings.

During a recession the risk of vulnerable employment is greater as job security fears may lead people to tolerate exploitative treatment and employers use an insecure economic climate to justify poor workforce strategies.

To address this problem the TUC has raised the issue with public sector agencies providing redundancy support and requested they communicate these services more widely to vulnerable groups and improve access.

A full copy of the Recession Report is available at:

<http://www.tuc.org.uk/economy/tuc-15628-f0.pdf>

Administer Pressure to the Administrators

Job Centre Plus has reportedly been denied access to workers facing redundancy in some cases where companies have gone into administration. As a result workers have left the premises without being made aware of what support is available to help them find alternative work. The TUC is lobbying Government, along with the region's backbench MPs, to compel administrators into allowing workers access to support. ¹⁹ Locally the TUC has called on public sector agencies to design redundancy support plans and training packages in joint consultation with trade unions.

Diffuse Rising Tensions

Women, BME workers and young workers are over represented in low paid, temporary jobs. These groups are thought to be at heightened risk during the recession due to the vulnerable nature of their employment. ²⁰

¹⁸ TUC Recession Report Number 1 November 2008

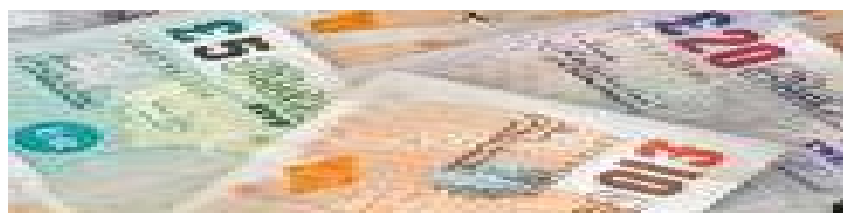
¹⁹ House of Commons Hansard Debates for 27 January 2009 (pt 0017)
<http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090127/debtext/90...>

²⁰ TUC Recession Report Number 1 November 2008: Recession and Vulnerable Employment p3



Yet so far the recession has disproportionately affected white, working class men, who have endured the biggest job losses. Against a backdrop of high unemployment, economic inactivity and low wages, this is a worrying trend for a region still bearing significant costs accrued from the last recession.

Inequality and the threat of poverty can act as divisive forces in the workplace and wider community, demanding collective resolve to prevent intolerance, prejudice and abuse from spreading. The outbreak of wildcat strikes and protests advocating for British Jobs for British Workers underline the need for trade unions to unite workers around a common agenda of equality and social justice for all if we are to emerge a strengthened force from the recession.



Public Finances

A major hole is opening up in the public finances; there is a budget deficit and increased borrowing as government expenditure exceeds tax revenues (what it is able to collect from tax to fund public spending).

The economic slowdown will have the effect of reducing the amount of money coming into government through taxation raised on earnings (income tax), profits (corporation tax) or spending (VAT, Stamp duty). At the same time, unexpected demands on public finances, such as the part nationalisation of the banking industry and further calls on the social security budget as unemployment rises, serve to widen this hole.²¹

Long term there will be less money in the bank for public services than previously expected because in order to fund increased borrowing now, the Government must prepare to repay the debt later, reducing the future capital available to invest in public services.

These circumstances have important implications for public services. One is that the amount of money the Government has available to spend on public services may reduce while demands from users continue to grow. In a bid to meet social need and counteract the downturn, Government needs to act boldly and decisively. Borrowing the money we need now to see us out of the downturn will keep more people in employment and stimulate growth, which will generate the tax returns needed to repay the money.

²¹ Positively Public Fact Sheet: Public spending and the economy, October 2008 Unison



Long Term Public Spending Challenges and the Economy



Some argue that unprecedented economic circumstances mean government spending on public services may need to be cut and key benefits, such as the Minimum Wage, should be frozen for ordinary workers. Now it is more important than ever for Government to invest in public services and the staff who deliver them. *Positively Public*, the campaign for quality public services points out there are two major reasons to support continued investment in public services:

- 1) The public sector has a major role to play in minimising the impact of redundancy or loss of income for families and communities by providing healthcare, access to employment advice and retraining and generally helping people to maintain a quality of life;
- 2) Money invested in public infrastructure and public employees pay can be critical to counteracting the recession by maintaining employment, consumer spending and creating new economic growth. Cutting public service employment, pay and investment will only make things worse.

Public sector workers are already experiencing significant pressure as the Government expects them to mitigate the worst effects of the downturn on local communities. As spending decreases in future years, trade unions will need to monitor a tightening budget situation to ensure there is no deterioration in working conditions, levels of public sector employment or quality of service.

What can be done?

Given the immediacy of the current situation, the TUC is calling on Government to take radical steps to shield workers from the worst effects of the crisis by:

- Offering comprehensive support for people faced with redundancy, including a flexible unemployed benefits package that allows people at risk of unemployment to search for another job while working their notice period;
- Supporting apprentices to complete their training programmes;
- Increasing public investment in, and access to, training in readiness for the upturn;
- Promote trade union involvement in pre-redundancy support offered to workers;
- Increase Statutory Redundancy Pay;
- Reform insolvency procedures so that company administrators are required to consult with recognised unions or elected workplace reps. before issuing



redundancy notices and explore redeployment and training opportunities for staff;

- Develop new programmes to support long term unemployed people back into work;
- Flexible use of public procurement to create jobs that pay a decent wage and provide training and progression opportunities;
- Create robust regulations to tackle unfairness in the tax system. Much more could be raised from wealthy individuals who often contribute less (as a proportion of income) than the lowest paid workers. For example at least £25bn is lost every year through evasion and avoidance by a minority (TUC, the Missing Billions) 2008;
- Rigorous enforcement of employment rights.

For more information see the **TUC's Emergency Ten Point Plan to Tackle Unemployment** at <http://www.tuc.org.uk/economy/tuc-15832-f0.pdf>

Key Measures Designed to Help the Region

Public sector agencies are ploughing significant resources into driving the region out of recession. While there are too many measures to discuss in detail here, key highlights are summarised below for information.

A Skills and Employment Response Group has been formed by government agencies region-wide to advise Ministers how they will respond to challenges posed by the recession. The response is based on four principles:

1. **Resilience** – supporting employers to retain as much of their workforce as possible during the downturn and cope with a hostile economic environment;
2. **Redundancy/Redeployment** – minimise the number of people who become unemployed. If and when they do, move as many people as possible from a job to a job;
3. **Recruitment/Retention** – Ensure re-entry to the world of work is as swift as possible for people who are unemployed and that they are appropriately supported once in employment to retain their jobs;
4. **Readiness for the Upturn** – Look beyond the downturn and continue investing in up skilling the workforce to prepare for a more prosperous economic future.

Employment and Skills Support



Learning and Skills Council (LSC) and Department for Work and Pensions (DWP) budgets are the main source of investment. The Pre-budget Report provided additional funding to recruit the extra staff needed to deal with larger numbers of unemployed benefits claimants.

Rapid Response Units comprising all of the key public sector agencies have been convened to support areas affected by significant redundancies. Funding for this service will be quadrupled over this financial year and next. The service is offered to every employer with 20 or more redundancies and also in any local communities who have been affected by multiple smaller redundancies. Steps are being taken to strengthen support offered to temporary agency workers and smaller numbers of workers made redundant to ensure these individuals do not “fall under the radar” and miss out on crucial opportunities to find new work.

Jobcentre Plus (JCP) will provide information about other jobs within the labour market, match redundant workers to vacancies, improve their job search skills, help draft CVs, work on interview technique and provide general information about benefits and process claims.

Together the LSC and JCP will ensure that workers under the threat/notice of redundancy, recently made redundant or longer term unemployed affected by the recession all have the following support available to them:

- Careers Information and Advice;
- Individual action plan development;
- Personal support and training where required;
- Employment linked training;
- Job search support;
- Business start up advice, support and training where appropriate;
- Links to employers and identified employment opportunities.

Government is changing the benefits system to help people with mortgages stay in their homes. From January this year people unemployed for 13 weeks or more can apply for help towards mortgage costs up to a value of £200,000.

For more information on skills interventions see the second report in the TUC's Recession Series at <http://www.tuc.org.uk/economy/tuc-15776-f0.pdf>

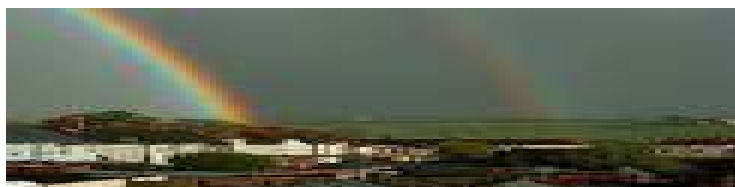


Supporting Businesses to Survive and Thrive

Regional Development Agencies are playing a pivotal role in co-ordinating the region's response to the recession. One of the RDA's main areas of responsibility is to support viable businesses to survive the recession, for example by finding innovative ways to free up access to finance during the Credit Crunch with its 'Real Help for Businesses Now' package. This helps credit worthy companies, who might otherwise fail to access the finance they need for working capital or investment due to current tight lending conditions. Business Link is also delivering health checks, mentoring, debt management, new market and product development advice to companies.²²

Where do we go from here?

Recently the ETUC declared this crisis "must mark an end to casino capitalism".²³ It is time to radically rethink how the economy operates and the foundations upon which our prosperity is built. We have a shared responsibility to ensure wealth serves the interests of the many hard working people who help to create it and is not squandered by a privileged few. Trade union leaders are calling for an alternative economic settlement founded on the principles of inclusive economic growth, social justice and equality.



What does this vision of the future look like?

Future economic growth should be underpinned by good quality, well paid employment, effective regulation, a system of fair taxation and investment in public services as drivers of sustainable development.

Information provided on 5th February by:


Northern Regional TUC

²² One NorthEast Briefing Paper for RDA Board Members January 2009

²³ Unison Financial and Economic Crisis Statement agreed by Unison National Executive Committee 8 October 2008



4. Jobcentre Plus



Jobcentre Plus current and near future operations are set against a background of unemployment levels unprecedented in recent years. Unemployment levels in the region for the last quarter of 2008 showed an increase of around 35% on the same quarter in 2007. In some parts of the region, there were even greater increases, for example, County Durham where unemployment has risen by 79%, year on year. Overall, long term unemployment trends have not yet changed significantly and people are still finding jobs, but numbers of those unemployed for up to 6 months are building up rapidly. Indeed, the number of people unemployed for under 13 weeks stands at 37,400, 58% higher than the same time 12 months ago.

There has also been a significant increase in unemployed people from management and executive level jobs and the inevitable social impact is now covering all sectors of the community. There is also rising concern about younger people who are not in education, training or employment and who could be totally excluded from the jobs market – more often being seen in media articles of late. The Government, however, is reacting at speed with a number of initiatives.

There is a Regional Response Group at senior level which comprises Jobcentre Plus, One North East, Learning and Skills Councils, Government Office North East and Business Enterprise North East. This partnership enables joint planning so that key decisions can be made quickly, particularly in the case of large redundancies. A 'rapid response' can then be put into place to allow earlier access to services for employees before they become unemployed. This service can also be made available if there are a number of small redundancies in a geographical area that will have a significant impact on the local community – in these cases, Jobcentre Plus may 'tag' this as a 'large scale redundancy' and establish the 'rapid response' approach.

This earlier and more flexible intervention enables the use of measures such as funding for employers by One North East to prevent redundancies; use of the Learning and Skills Council "Train to Gain" Programme to enable people to retrain and develop new skills; maximum use of European Funds and personal support and some discretionary funding from Jobcentre Plus.

Jobcentre Plus has changed its structure over recent years and now delivers through 3 key directorates. These are:-

- Customer Services Directorate which offers personal support from the Jobcentre network;
- Benefits Delivery Centres based in North Tyneside, Wearside and Teesside, which handle claims to benefits via a telephone service;



- Contact Centre Directorate which is a national 'virtual network' that provides first contact for individuals who wish to claim benefit, employers notifying vacancies and customers looking for work via the 'Jobseeker Direct' telephone service.

The emphasis is on keeping aspirations high, supporting the upskilling of individuals, work focussed interviewing for all unemployed people and post employment support when people return to work. It is essential that we do everything to keep people close to the employment market so that when we do begin to get to the other side of the recession, people are immediately ready to pick up the work opportunities that arise.



It is hard to tell how long the recession will last and unemployment is expected to rise further, indeed, possibly exceeding 2 million, by the ILO definition. Nonetheless, job vacancies continue to be notified to Jobcentres, for example, there were 16,000 notified vacancies in the North East region in January 2009. As the recession deepens there is still a concern about potential mismatches between the skills of those seeking work and the jobs on offer.

The North East has a high proportion of public sector employment in comparison to other regions which to a certain extent will protect some jobs in the region. The downside of this is that any Government bearing down on public spending may have a disproportionate effect on the North East. Nick Brown, MP for Newcastle East and Wallsend and Minister for North East England, is very actively encouraging local public sector organisations to advertise their jobs via the Jobcentre network and to become involved in Local Employment Partnerships (LEPs).

On a more positive note the region also has at least 2 big strategic investments which it is hoped will help towards recovery. The North East Process Industry Cluster which represents 500 Pharmaceutical, Biotechnology, Speciality, Polymer and Rubber, Petrochemical and Commodity Chemical companies, is currently investing £7bn into the region by 2015. This will require the industry to attract 16,000 new employees during that period. On Teesside, approval has been finalised for a Deep Sea Container Terminal which is expected to create 5,500 jobs. Meanwhile Jobcentre Plus is in the process of researching and developing further policies to underpin the Government's Welfare Reform and ensure that nobody is left behind.

On a more general note, the recession of the early 1980s saw a very different economic landscape in the region with, arguably, a less diverse economy that was still vested in primary industry. Conversely, the last 2 decades have seen considerable diversification and the development of brand new sectors, such as contact/call centres which are significant employers.

The recession is undoubtedly providing the region difficult challenges but the regional economy is still moving and there is a view that its relatively diverse nature will enable it to take advantage of the economic upturn when recovery does come around. There



is also a view that, while liquidity is an essential part of the business environment, confidence, or the lack of it, is playing a significant part in affecting orders, investment decisions etc.

Chaplains are well placed to assist in the workplace by informing worried employees about the help which is available and by signposting them to the various agencies involved. Jobcentre Plus is happy to support this and to help raise their awareness of the process so that they can pass on the information with confidence.

Information provided on 3 February 2009 by:

**Kevin Turner,
Regional Communications Manager,
Jobcentre Plus.**



5. Voluntary Organisations' Network North East (VONNE)

VONNE is the regional infrastructure body for the voluntary and community sector (VCS) in the North East of England. VONNE's mission is to ensure that the voluntary and community sector plays a full part in the life of the North East.

It aims to achieve this by:

- developing networks and partnerships of VCS organisations across the region;
- providing information, advice and support to VCS;
- developing, influencing and responding to policy that affects VCS in the region;
- working with statutory and other partners to increase recognition of the sector's roles and needs;
- supporting VCS representation, advocating for and providing a voice for the sector.

The VCS in the North East covers a wide range of groups from internationally active charities with large numbers of employees, to small community groups without paid staff. The VCS is a valuable contributor to the North East Economy in its own right, which, led by volunteer management boards, employs 4.4% of the region's workforce, totalling around 47,000 paid employees, and is supported by the work of 143,600 volunteers – This is from a report published in 2000 and we expect this to be higher at present.

There is a lack of information at this stage on the impact that the recession will have on charities so it is felt that they are not yet feeling the full effects. Some charities have funding in place, until the end of the financial year or for up to 3 years. However, there is already an impact on the beneficiaries of the charities and a number of organisations are seeing an increase in demand for their services with an anticipation that this trend will continue.

Preceding Government policies have weakened the VCS infrastructure in recent years as a result of a reduction in the availability of public grants and an increasing commissioning culture. This has seen a decrease in the number of funding pots available to the sector, particularly support for specialist sub-sector organisations and an increasing emphasis on bigger and larger scale contracts.

VONNE believes that organisations' recession proof planning will have to refocus on core activities and reduce funding on more diverse activities. The prospect of merging between organisations and increasing development of partnership working might be one way forward and anecdotal evidence suggests larger VCS bodies are beginning to consider these options alongside re-budgeting and the development of contingency plans in the middle of their financial year.



There are some opportunities as well as threats in the situation. There are skills gaps at managerial level in some voluntary organisations and for the first time in a number of years there are people with such skills in the labour market. Such organisations could benefit from more robust management teams to enable them to withstand the effects of the recession.

Volunteering is also recognised as a prime route to employment and people can be encouraged to take this route in order to increase confidence, maintain motivation, and develop new skills. *VONNE would welcome the help of workplace chaplains in getting this message across to people who are under threat of redundancy and in signposting them to the various agencies involved. We would be willing to put the chaplains in touch with a range of sub-regional organisations such as the NE Volunteering Initiative so that chaplains can develop greater awareness of the sector and what is available for people.*

There are a number of positives and negatives that have been identified for the VCS as a result of the recession and VONNE have identified some of the following as the expected main areas of impact:

POSITIVE

- Low interest rates mean that organisations that need to finance spend before they are paid, will have a better deal available to them;
- Building/repair costs have plummeted so the sector will benefit greatly;
- There are few if any wage cost pressures in the system;
- Building rents should start to come down - groups should negotiate tough with landlords that are in a historically weak position;
- Government wants to 'spend out of the recession' - should see investment in front line public services that the sector can tender for and deliver;
- Talent available - with the private sector collapsing around us the number of people with real talent looking for work who would not have considered the sector is significant;
- Middle class poverty is going to be the phenomenon of the next few years - and these are the people who vote. We often say we reach the most excluded groups but we also reach the middle class - they are often our volunteers and management committee members and this is something we can exploit when the inevitable programmes to 'reskill and refocus' people who have worked in banking, insurance and engineering come on stream;



- On a policy issue, the collapse of car sales and the reduction in economic activity is great news for the 'green/renewable energy' sector - this is an opportunity they cannot afford to pass up and the sector must become even more active in this area.

NEGATIVE

- Groups that rely on donations, sponsorships or other voluntary income will be hard hit and many will fold or merge;
- Investment income will collapse - bad news for many grant awarding trusts;
- In the social enterprise sector, 'in kind' support from employers is much harder to secure and for the first time some of them are asking me to pay for their costs to attend events;
- Morale in the country as a whole is quite low and this could carry over into many workplaces where people will feel insecure, even if their own job is OK;
- Government and local authority departments whose spend has less immediate economic impact will have a very hard time in the next few years and contracts in these areas could dry up completely as services are retained in house.

Overall it is best not to have such a severe credit crunch but a macro economic correction was long overdue and the sector has the players in this region who are innovative, competitive and determined enough not just to survive but identify significant new business opportunities. This is chance for the sector to really shine because we are already 'lean and mean' unlike a lot of our colleagues in the private and statutory sectors.

Information provided on 3 February 2009 by:

John Main
Policy and Development Officer,
VONNE



6. The Churches' Contribution in the Workplace



*"Christian care, thought
and action in the regional economy"*

The following reports are from workplace chaplains from NIM, TVM and Newcastle City Centre Chaplaincy who were asked by NIM to gather evidence **'on the ground'**, from their day to day contacts as they **stand alongside those at the sharp end of the financial crisis** within a wide variety of businesses across the region. This information is intended to complement the economic overviews by highlighting how these facts and statistics translate into real situations with real individuals – the human face behind the statistics!

It also helps to highlight one of the positive responses the Church in the region (which ecumenically sponsors the work of NIM) is **already making** to support ordinary people, in their daily lives, at what is for many a very worrying time.

Nissan

Revd Stephen Hazlett has been interviewed recently by Metro Radio and BBC Radio Newcastle. The statement below was sent to the local media on behalf of Bishop Tom and Revd Stephen Hazlett.

"Following today's announcement that 400 temporary workers at the Nissan plant in Sunderland are to be made redundant, the Bishop of Durham, Dr Tom Wright expressed his concern and support for those who have lost their jobs, as well as those who may face redundancy in the near future.

'I was horrified to hear of the Nissan redundancies', he said. 'The global recession really comes home to roost when a well-run, highly productive plant with workers of great skill and dedication has to take action like this. We will need that skill and dedication again, and I hope the whole community can pull together to support the families immediately affected, and the wider circles where their sudden unemployment will be felt. I and others are working and praying for national policies that will address the underlying causes of the present crisis. Meanwhile, we will do all we can to help.'

The Revd Stephen Hazlett, Industrial Chaplain at the Nissan plant, has been working closely with the management offering support to the workers.

'This situation has been feared for some time now and all the workforce have been notified of my availability for pastoral support over the past few weeks,' he said. 'We can't give people back their jobs but we can offer a listening ear when people are afraid for their futures.'



Although Nissan are looking to make further cuts in the permanent workforce, Stephen also wanted to emphasise that the management are very keen to work with the Works' Council and the unions in negotiating further job cuts. We continue to hope that the global economy will recover in time. Meanwhile, the following prayer has been published by the Church of England to show its concern for those who have been made redundant:

'Redundant' - the word says it all - useless, unnecessary, without purpose, surplus to requirements.

Thank you, Heavenly Father, that in the middle of the sadness, the anger, the uncertainty, the pain, I can talk to you.

Hear me as I cry out in confusion, help me to think clearly, and calm my soul.

As life carries on, may I know your presence with me each and every day.

And as I look to the future, help me to look for fresh opportunities, for new directions.

Guide me by your Spirit, and show me your path, through Jesus, the way, the truth

And the life.

Amen."

Traidcraft

"Conversations have been partly about how the credit crunch is affecting the trading partners and how it is affecting sales. If the sales suffer so the overseas partners will suffer. Sales at the end of last year were down in cost but not so much in volume, suggesting that at the end of the year people were choosing more economical items, particularly at Christmas."

TRW

"TRW makes parts for the car industry. Over the last few months, at both factories, all of the 'temps' have been dismissed and also some of the permanent staff. Everyone is very worried about their futures. Who is going to be next? This is the question that everyone is asking. Shifts have changed over the past year from 6- day continental (2 day shifts followed by 2 night shifts, followed by 4 days off. Each shift lasts 12 hours) to a 5 day working week as follows: - day shift 7-3, late shift 3-11 and night shift 11-7, in a 3 week cycle. As the shift allowance is more for night shift working, this leads to a reduction in salary for most employees.

There are even rumours of a three day working week. If this happens most staff will not be able to cope with mortgages, rents, fuel bills etc. The comment was made that they would get more on the dole! What would be the point of working! Much blame is placed on the banks for the cause of the recession and, having been bailed out, their reluctance to lend. Staff are saying that if the Government can bail out the banks why can't they do it for the workers here. Everyone is very worried about their jobs and all hope that the factories will be able to survive the recession."

DWP – Tyneview Park



“At the Department for Work and Pensions (DWP) at Tyneview Park the economic situation is not having any discernible impact. It is the Pension Service that is based at Tyneview Park and it deals with awarding and paying state retirement pension. So the economic situation does not increase the amount of work or have any effect on it. Another part of the DWP, Jobcentre Plus, will be impacted by the economic situation and the increase in unemployment but it is not represented at Tyneview Park.

A range of communications materials has been produced to help staff advise customers new to Jobcentre Plus. The materials give advice and guidance to staff on how customers can access the services and get the support they need to return to work as quickly as possible. There is also information for staff within Jobcentre Plus to help them cope with the increase in new customers and make sure DWP stakeholders, employers and all staff across the Department know about the additional support available.

Finally, relating to my church rather than my chaplaincy. A member of the church I attend has been made redundant. Because of the economic situation Jobcentre Plus is recruiting people to work as mentors and supporters to help people as they look for work. This person worked as a learning mentor in a school before he started working for the circuit. So now he is applying for one of the jobs with Jobcentre Plus. I suppose that there is an issue of what the church can do to help church members at this difficult time as well as what it can contribute more widely.”

Sunderland

“At ground level, people will do without luxury items during the current economic crisis; however, there is bitterness that ‘supermarkets are screwing their customers with massive price rises for basic, own brand foods’. True disempowerment is caused through the increase of gas, electric, water charges, rent and mortgage payments... although people feel their hands are tied, they would rather starve, die of hypothermia or go to prison rather than be told to pay more for everything!!!”

MetroCentre

“Many folk, whether in their own business or working for someone else, are trying to be very stoic.....'a lot of this is out of my hands, I'm just doing my job as best as I can', people are fearful because they don't know who's going to be next one to close, because they say 'who does know?'. Also at this time of the year there is a natural slump and some retailers are waiting to see what happens after the slump to see if it picks up for them. They are anxious for members of their families too:

Impact on workers

- increased uncertainty re: own jobs - stress - impact on families etc;
- having to face customers who are angry e.g. where a company cannot fulfil orders due to going into administration;
- contractual conditions being watered down e.g. losing premium pay rates for Sunday working ("But at least we still have a job" - so this is accepted);



- speed of change – e.g. one of my stores where it was only about two weeks between the message from head office that they were in trouble, to the store closing;
- cutting back on extra hours, overtime, temporary staff for busy periods, student employment - all resulting in even more strain on core staff;
- middle managers particularly (as ever) getting pressure both ways - from head office and staff;
- even more driven target setting.

Issues for Churches

- more than ever, need to be seen as a presence and heard as a voice, to show concern and solidarity;
- pastoral care role;
- Churches role to maintain / build spiritual health & social capital especially in the North East.

Something which has really struck me in the last few weeks is that although much of retail is struggling, the travel agents are seemingly doing well. January is always their peak time, but I wonder if there isn't something more going on this year? I'm picking up that people are choosing to cut corners in other ways but are determined to "have a decent holiday" - is this to compensate, to escape, a realisation that time spent as a family is really important - or what? Something of the same was around at Christmas, too - "Very quiet this year, we just want some family time" sort of thing. How might Churches respond to this hunger for something different/ better, and the search for what to value most?"

"I have found people quite concerned about their jobs, but sort of philosophical and making the best of things. They are also watching their own spending!"

"When visiting my allocated shops in the MetroCentre, it soon becomes obvious how worried staff are about the security of their jobs in current trading conditions. Particularly hard hit have been the small owner operated businesses. Many have had to lay off their staff, and then cover all opening hours single-handed. Working 10 hours a day, only to find just a handful of customers come through the door; some tell me their takings don't even cover the rent, let alone other overheads. It is in these circumstances that the friendly face of a visiting Chaplain can be a sympathetic ear, someone to 'just be there' and share their problems with."

Fire service & others

"I think the fire service may be recession proof, I am asking around. In my day job I visit industry every day. This is my analysis. Working people and managers feel helpless and cannot see an end. The financial business model their employers are operating is not usually something shared with them. What they have seen is a dramatic fall off of customers placing orders, and ferocious internal cost cutting. Budgets (approved last year) have been revisited and managers have been asked to cut thousands off them. In worst cases, this has meant some persons have had to be let go.

February 09



Many manufacturers take on people on temporary contracts. In the past these have converted to full time positions for good workers. This process is not happening and after the initial period the positions are not being made available. Whilst January /Feb is quite often a quiet period in terms of order intake, at the moment it is approaching silence. Shifts are being cut, and those normally running the machines now have “down” days when nothing is being made and the machines are stopped. Workers are put on cleaning up and maintenance tasks. The time is not being used to train for a future upturn because training budgets have been slashed. Summary: bleak, a lack of confidence, not much hope around and a lot of crossed fingers.”

Dalton Park (retail) Outlet

“My feeling is that there's a lot of uncertainty about, people just aren't feeling secure in their jobs. Added to this, contract hours are being reduced in some outlets, leaving folk in vulnerable situations financially. Other units are closing without notice, although to put it in perspective closure at short notice is not something new.”

Local Government/ Port of Tyne

“I am experiencing great change within my own workplace where I carry out some informal chaplaincy – as people feel they have no-one else to turn to. These changes to the Northumberland County Council takeover are affecting staff in local government.

There are many changes too at the Port, in a similar vein due to the loss of the Norwegian ferry service. I can fully share my own workplace situation quite freely, which echoes that of the chaplaincy visits too, if this will be of help. The staff were asked if they would consider voluntary redundancies in the face of change. The impact on staff at both places has been the same – quite dramatic stress: Fear of the future and its financial impact on the family situation – this on top of normal financial stress, impact of the credit crunch etc: People have real concerns about mortgages and debt, unemployment and the recent amendments to the benefit system. Having to wait too long to hear or being ‘kept in the dark’ which brings delays to life planning – looking for new work down to planning holidays etc: Lack of understanding by management, and seemingly ineffectual trade union input. There is considerable strain on relationships with fellow colleagues, much more sickness and stress related illness.

Our congregations are filled with members and adherents from all of society, I wonder if we are aware of their feelings and do we preach or pastorally care with sufficient understanding. The URC is about to urge members to take on extra responsibilities for worship etc., and this surely would only increase pressure on a congregation needing to rest and find some peace. This is being construed as self-interest for the Church, not care of the congregation. The prophetic voice of the church needs to be heard strongly in this time of crisis. The only time they make headlines is regarding internal or synod matters, and the comments from the people I visit are usually very negative regarding the church – although I know individual



chaplains are regarded highly in many cases. Sorry for the rant, but as you can tell the pressure is getting to me too! Hope this helps and I am pleased to see some action by the wider church.”

Shopping Centres

“The closure of stores such as 'Adams' children's wear in the shopping centre I chaplain at was devastating. After Christmas the store workers came in and were told that they had to close that very day. I went into my chaplaincy and the centre manager told me, but by the time I got to the store they couldn't let me in because it would mean letting customers in who were being diverted via a note on the door telling them to go to another branch of the store to collect orders etc. I had to talk to the staff through the glass doors of the store and it was very distressing. The look on their faces was the same look I see when people attend a funeral or have had news in hospital that someone has died. It really brought home to me the meaning of the words 'grief stricken'. I spoke to other shop owners in the centre and rather than being preoccupied with their own stores they said things like 'they were our friends', 'we will miss them'. There was a genuine sense of loss of friendship and of course uncertainty for those left behind. If the government is serious about 'social cohesion' then this economic situation needs to be a priority because it is fracturing communities.

Shopping centres are places of community, shared spaces, and very important - especially in poorer areas of the country, where people cannot drive or do not own cars to just drive across to another town to buy things. The impact of stores such as Woolworths closing is another blow because they are the sort of stores that keep shopping centres in poorer areas going. Apparently they get some sort of financial incentive to open in places, because their presence is (or was) important to bring other stores to open in shopping centres, but the situation is so bad that even that obviously didn't work anymore. However, other stores have said that they have always run on a shoestring of staff and very rarely meet their targets - staff in such stores have said so far they are ok because of this, but this doesn't mean conditions of employment are going to get any better either. The pound shops are thriving - and as shop owners have said 'it is the people with money this economic situation is affecting' while the poor have always struggled. Interesting perspective but one that doesn't include those who have just lost their jobs! (I can't share anything from the Power Station with you as it is confidential).”

Redcar and Cleveland

“Things are still very confused. Although there have not been significant job losses in Redcar and Cleveland we have been advised of potential significant job losses, should current measures to protect cash flow and profitability not work. There has been a significant reduction in temporary short term working, especially within the construction industry and the processing industries. There has been significant reduction in new contracts to suppliers of services which has also impacted on short term work. This shows in reduced flow of benefits and increased flow on. A lot of the employment in Redcar and Cleveland is short-term but there is



lots of it. Likewise over 80% of unemployment is made up of short-term unemployed waiting for the next short-term job.

The main business affected in Redcar and Cleveland was Woolworths with 32 jobs going, of which only 2 people have found work. The usual planned Christmas recruitments did not happen in October so we did not have the usual lay offs in January. The number of retail businesses that have closed down in Redcar is high, but these tended to be the less profitable outlets of regional or national businesses, protecting core assets. Often staff have been transferred on minimum contract hours to other stores.

We know of three major new employers coming to Redcar over the next 4 months which will bring nearly 1,000 jobs in logistics, warehousing and recycling processes. There are three major construction programmes starting shortly requiring up to 1,000 construction workers.

The IMF news today paints a bleak picture but most economists and employment experts feel that the North East will fair better than most other parts of the country. They are expecting job losses to hit 70,000. But we will still have a greater number and percentage of working age population in work than the national average. The council held an employer event today and was able to provide various support measures to over 70 businesses. Generally we are still holding our breath, planning for the worst and hoping for the best."

Corus

"For those who have been around in Corus for a long while, they have been through it all before and are, therefore, able to be realistic about this current downturn in the market. However, the newer employees do seem to be finding it all stressful, with the uncertainty of what lies ahead. There does seem to be a positive environment developing, with the seasoned employees being able to support the newcomers. We will still have to see how Corus' expected lay-offs in the near future affect morale."

Shildon

"The last time I visited the Shildon centre there were a few signs of the effect of the present economic climate. One person was being made redundant in a firm providing computer software - she was not unduly upset - inclined to accept it as an opportunity to explore other possibilities including retraining. Other firms are facing a lull in orders. It is an ongoing situation..."

Newcastle City Centre Chaplaincy

"Regarding the economic situation I get mixed reports. I have been called into NBS as they have announced staff reductions - 150 at last count. The people it will affect are people who have only been there a short while, some of course from Northern Rock, so it will be a double whammy. NBS are affected by the Iceland Bank collapse. I also visit the Civic Centre and people there are unsettled as the council have to make cutbacks. There, I feel for the leader John Shipley who is trying his best but it seems



such a battle. I am sure that the Unitary Authorities are causing an upheaval elsewhere as well. The word I would use is UNSETTLED. It is a bit of fear of the unknown. Amongst this people are still getting ill etc. There is not much good news about and if you say it seems a bit mean on those who haven't got any. So the question would be how you tell GOOD NEWS in this situation?"

7. What can the Church in the North East contribute?

Some initial thoughts!

- Establish an on-going briefing process to enable Church Leaders to remain well informed and aware of the emerging situation and to enable them to formulate appropriate responses and action;
- For the Church in the North East to work collectively and ecumenically in its responses;
- Provide a 'safe space' enabling some of the key economic, public sector and voluntary sector players in the region to have joint 'informal' conversations about appropriate ways forward;
- Develop an appropriate lobbying role around sensible, realistic solutions;
- Work at identifying what specific contributions the Church can make:
 - e.g. hosting meetings of HR personnel to explore together how they can work to promote ethical behaviour @ this potential time for change;
 - gathering together editors etc from the media to discuss the positive impact they can make at this time (conversely the negative impact that can also be created) by the way they choose to report the facts;
- Stimulate wider discussions around the morals/ethics of current economic models operated – is this an opportunity for change?
- Provide financial and other practical support for the workplace chaplains who are increasingly being asked to provide more assistance within workplaces;
- Provide local clergy with practical information to enable them to 'signpost' to the various support services, those people affected by the recession;
- Offer relevant material for inclusion in services which gives spiritual support to people at this difficult time;
- Explore how the Church can give a realistic message of hope to help to counteract the feelings of anger, fear and uncertainty brought about by the situation.

Church Leaders are encouraged to debate these suggestions in order to identify the specific contribution the Church in the North East can offer in these difficult times.



8. Appendix – List of contributors

Our thanks to:

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Revd Canon Lyn Jamieson (Durham Diocese, NIM)
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